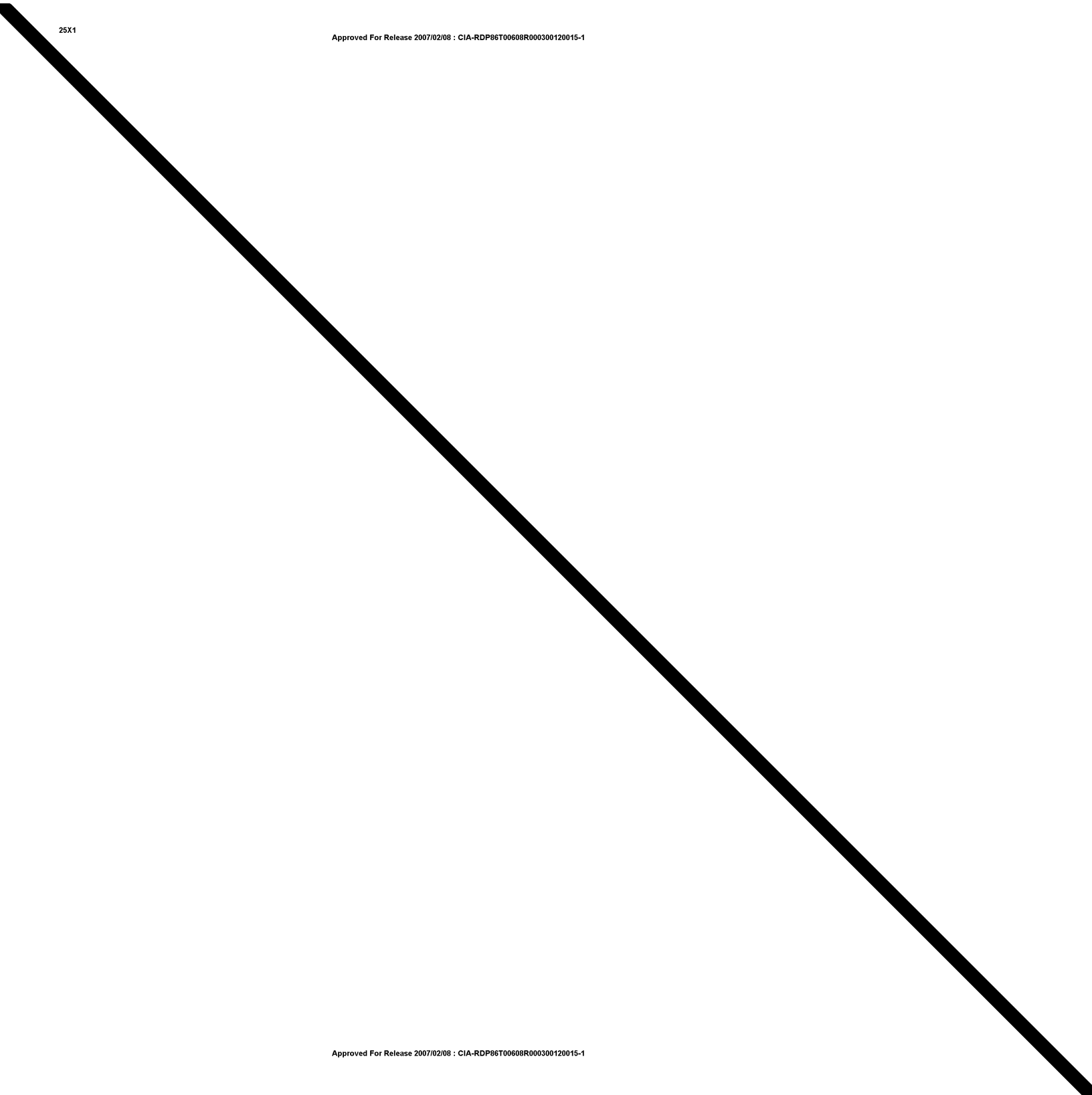

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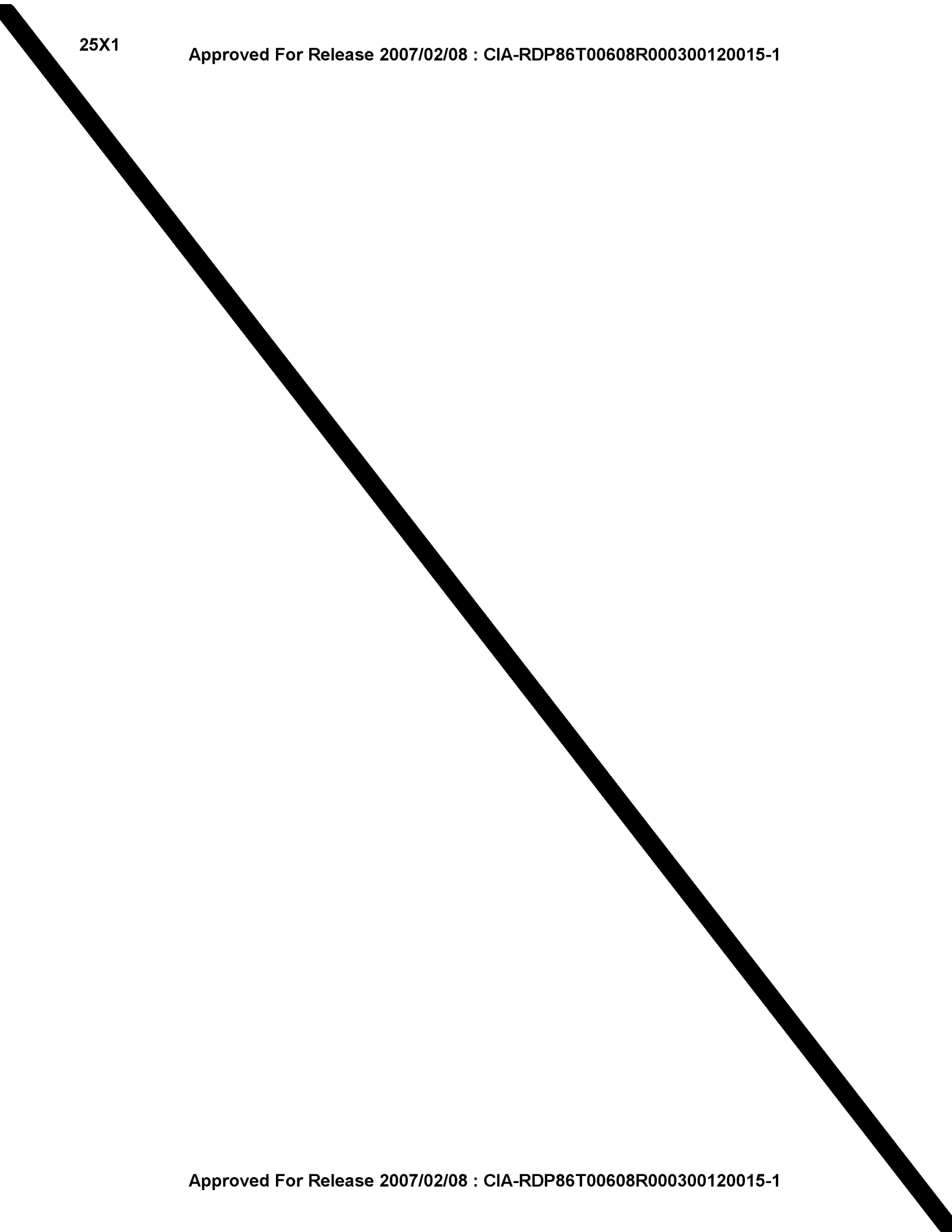

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LATIN AMERICAN TRENDS

This publication is prepared for regional specialists in the Washington community by the Western Hemisphere Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Brazil: Nuclear Development

Brazil, already active in atomic research, is stepping up its efforts to develop nuclear energy.

The organizations responsible for nuclear research and related activities have been revamped and revitalized. New legislation gives the federal government a monopoly on nuclear research and planning, through the National Nuclear Energy Commission (CNEN). The Geisel administration also has upgraded Nuclebras, the other principal nuclear organization. Nuclebras, which is now autonomous, is responsible for commercial sales of nuclear materials. It is headed by a high foreign ministry official known for his negotiating skills.

Brazil ultimately hopes to achieve self sufficiency in fuel enrichment techniques. In the meantime, however, the government is negotiating with the US and West Germany for needed technology. In fact, the US Embassy reports that the minister of mines and energy, accompanied by the heads of Nuclebras and the CNEN, plans to visit the US in the near future to continue discussions with officials of private enterprise and government.

Brazil's nuclear efforts stem from a number of motives. As an aspiring global power, Brazil views the possession of nuclear technology as a prerequisite for membership in that favored group of nations. While the possibility of eventual weapons development cannot be ruled out, for the present at least, Brasilia views nuclear energy chiefly as a complement to its hydroelectric potential; both these energy sources, it is hoped, will reduce dependence on imported oi. Finally, 25X1 Brazil may be spurred further by the possibility that rival Argentina is pulling ahead in its own nuclear program. [redacted]

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Possible Castro Resignation

Fidel Castro is thinking of renouncing his position as prime minister at the first congress of the Cuban Communist Party (PCC) to be held in late 1975,

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Castro would remain as first party secretary, thereby maintaining his political control, but would reportedly turn over the top government post to Carlos Rafael Rodriguez, currently vice prime minister.

There have been previous indications both from Fidel himself and from others in the leadership that he might be willing to give up one of his titles in order to give a greater appearance of collective leadership. The scenario suggested by the report does not appear to be the most likely one, however.

The position of prime minister apparently will be abolished under the new constitution. According to the draft of that document, which was made public on April 10, the president will be chief of state and commander in chief of the armed forces. If the draft is adopted, it is unlikely that Castro would permit Rodriguez to become president for the following reasons:

--Fidel would not relinquish statutory control over the armed forces, where his power ultimately lies.

--Rodriguez would be over Raul Castro, who is Fidel's chosen heir and second in command.

Castro might insist, however, that the present draft be amended to retain a prime minister in addition to a more powerful president. Then a likely scenario would find Fidel as president, Raul as first vice president, and Rodriguez as prime minister. We will be in a better position to evaluate the accuracy of this report once a complete copy of the constitution is obtained.

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Peru: Lima's Press on a Short Leash

Reaction to the government's recent closing of a popular bi-weekly magazine points out the ambiguous nature of the government-press relationship prevalent since the regime expropriated Lima's major dailies last July.

Caretas was closed on March 20 and Enrique Zileri, its irascible editor, was deported to Argentina. Following the closure, a government minister remarked that despite his "profound respect for the freedom of the press," he thought the magazine "shouldn't circulate any more" since it had "begun to falsify its reports and heap scorn on human suffering." While the government was thus enunciating its paradoxical position, a number of editorials chastised the government for the action, labeling the Caretas shutdown unnecessary and misdirected. Some editorialists called on the regime to turn the magazine over to its workers.

Since the government replaced the old-line management with editors of its own choosing last summer, Caretas has engaged in a running battle with military leaders, whose sensitivities are offended by Zileri's frequent barbs. Probably the only factor that prevented an earlier move against the magazine was President Velasco's fear of sparking serious criticism from foreign papers and news services. Zileri's time ran out on March 20, perhaps because government leaders felt attention was no longer focused on the regime's internal policies; the decision may have been made by one of Velasco's lieutenants since the President is away from Lima convalescing from his recent stroke.

A major reason for the government's move against the newspapers last year was Velasco's extreme sensitivity to criticism from any quarter. On a more theoretical plane, Velasco would like to employ the press as a tool to strengthen the revolution by voicing

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government dogma through functional "sectors"--peasantry, labor, education, etc. Representatives of these sectors are scheduled to take control of the papers this July, as advocates for their "constituents," but the transition may very well be postponed.

Although limited criticism of the government has found its way into the editorial pages of the major dailies, the unmistakable trend has been toward increased circumscription. A number of newspapers and magazines have been closed since the July expropriation, and all major newspapers clearly toe the government line in determining what is newsworthy. For example, reportage of events during the anti-government riots in early February was ludicrously sparse; one magazine distributor, fearful of adverse government reaction, on his own initiative tore out those pages of Time dealing with the riots before selling the publication on the streets.

Freedom of the press has probably been the single most contentious issue within the military regime since it came to power in 1968. Recent events and policies indicate that the government has not yet come to grips with the problem. The divergent but overlapping views --to use the press to build revolutionary support by directive, or allow certain freedom in order to avoid at least some criticism and encourage the free exchange of ideas--are not likely to be reconciled any time soon. In fact, the issue may heat up in the coming months, as military and civilian groups maneuver over the succession issue and the formation of a pro-government political organization (see Trends of February 26). The press may be caught in the middle as various individuals and groups attempt to use the media in support of their own positions. [redacted] 25X1

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Martinique, Guadeloupe, and French Guiana:
France's Discontented Stepchildren

The French government continues to study methods of fulfilling its oft-repeated promises to solve the deep economic problems of Martinique, Guadeloupe, and French Guiana. As a result of "regionalization" reforms in 1973, elected officials in the three overseas departments gained modest additional authority over local affairs; but this has fallen far short of majority demands for internal autonomy. Paris' inertia on both questions makes serious disorders in the overseas departments more likely. Over a longer term, with or without substantial reform, a new generation of political leaders in Paris will probably find the remnants of the French empire in the Caribbean an unaffordable extravagance and leave them to fend for themselves with hopelessly inadequate resources.

In comparison with their immediate Caribbean neighbors, the three overseas departments enjoy a relatively high standard of living. In comparison with French norms, they are a refuge for paupers. According to 1972 estimates which omitted signficant loans, France's outlays for its Caribbean government services exceeded locally collected taxes by $265 million; this disparity increases each year. The economies of all three departments remain underdeveloped: agriculture stagnates, despite heavy subsidies; and industrial development limps along at a snail's pace.

Aware of their financial dependence on France, overwhelming majorities in each of the departments equate independence with catastrophy. All major political groups, including the Communists, however, seek an end to Paris' stifling control of local affairs.

During the latter part of 1974 in French Guiana, deteriorating economic conditions and a perception that France was not keeping its promises helped to escalate minor incidents into a riot and produced continuing

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unrest and tension. Overreaction by police officials from metropolitan France has created additional grievances and has presented the radical, previously small and ill-organized Guianese Decolonization Movement an opportunity to become a rallying point for a variety of leftists, separatists, and other dissidents. Further disturbances seem inevitable.

Martinique's anger at French lack of concern has precipitated disorders and demonstrations during the last decade. Labor leaders called two general strikes in 1974 to protest inflation and to dramatize local labor's long-ignored demands for parity with metropolitan French workers in such matters as minimum wages and social security benefits. The first general walkout in February lasted a week and resulted in two deaths and a number of injuries. The second, in December, on the eve of French President Giscard's and US President Ford's summit meeting on the island, fizzled out because government and political leaders convinced labor's rank and file that the strike would constitute an insult to the American President. With economic conditions no better and their demands unmet, workers are likely to remain restive.

Guadeloupe has been the most quiescent of the three Caribbean departments since a small, violent, separatist movement went into eclipse in the late 1960s. A leftist coalition with Communist participation captured control of the Regional Council in February 1975 and can be expected to use this forum to press for further economic benefits and for an expansion of its own limited powers. The Giscard government, despite its efforts to coopt a wide variety of reforms, is likely to view petitions from the new Guadeloupe council as harassment by a purposefully disloyal opposition and to react unfavorably. Further reform delays and half measures might lead to a return of radical action even by the peaceable citizens of Guadeloupe. [redacted] 25X1

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El Salvador/Honduras: Prospects For A Settlement

Over the past four months, Salvadoran President Molina and Honduran Chief of State Lopez repeatedly pledged to normalize relations this year. The following article assesses the current obstacles as affected by the transfer of power in the Honduran government.

The ascendancy of the field-grade officers' group in the Honduran government increases the chances that the five-year-old border conflict with El Salvador will be resolved. On April 11, representatives of the new Honduran leadership met with their counterparts to reestablish liaison, and to allay Salvadoran anxiety over their intentions.

A major roadblock in past efforts to normalize relations was the failure of the procrastinating and indecisive Lopez to support former foreign minister Batres. Last October, for example, Batres had worked out a solution that seemed to satisfy the Salvadorans, but some cabinet ministers, backed by Lopez, rejected the plan and suggested alternatives that Batres knew would be unacceptable. The frustrated foreign minister then resigned, but the younger officers now controlling the government may ask him to return to the post.

The emerging Honduran leaders are perhaps more nationalistic than their predecessors, but they are also pragmatic. They apparently recognize that Honduras will gain economically once regional trade is normalized. To this end, they feel that a settlement is long overdue. Salvadoran President Molina is also anxious to come to terms. A successful demarche abroad could help him to counter the growing domestic criticism of his administration.

On the negative side, suspicion--baited by the press--remains strong. Honduran politicians have

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already charged that the current government, like its predecessor, has no constitutional authority even to negotiate a treaty. During the week of March 23, sporadic exchanges of gunfire near the frontier town of Vallodolid sparked a new flurry of claims by Honduras against its "aggressive" neighbor. Although both governments disclaim responsibility, it appears that some drunk and trigger-happy Honduran border guards started the minor feud.

At this juncture, it is highly unlikely that the general mood of conciliation will be disrupted by an outbreak of hostilities. However, neither government can afford an agreement that might provoke domestic opposition. Their mutual determination to get the better deal will make an early settlement difficult, but the climate may have improved with the change of command in Tegucigalpa. [redacted] 25X1

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Salvadoran Restiveness Continues To Grow

President Molina's standing throughout the country continues to fall. Workers and campesinos in particular are becoming increasingly articulate and resolute in their demands. In the event that dissidence escalates beyond the administration's ability to maintain order, the military, although divided over the issue of military intervention, may be prompted to act.

Until recently, Molina has held strong control over the countryside through the elite National Guard and the pro-campesino government organization, ORDEN. The government's National Conciliation Party gained campesino support through the 1960s because of positive rural accomplishments. However, the rural economic situation, deteriorating yearly as a result of population growth, has been aggravated by the decline in world prices for cotton and coffee and by increased oil prices. Recent development has not satisfied the rising expectations of the rural poor. Moreover, urban crime rates have increased as jobless youths crowd in from the countryside in search of nonexistent work.

Dissatisfied groups have so far attempted to avoid a violent confrontation. Unless the administration acts to remedy the rising cost of living and unemployment, however, the chances are strong that dissident organizations will eventually resort to violent tactics, and the small leftist contingency will attract support.

On April 9, about one thousand workers and campesinos and some 30 leftist students and teachers joined forces in an orderly protest march. The protestors, organized by a worker-campesino group founded in 1974 by Catholic priests, were generally motivated by the President's failure to respond to their problems. Last

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December, over 10,000 campesinos demonstrated against Molina's slow progress toward redefining the 1907 Agrarian Reform Law and offered to support him if landowners protested his reform initiatives. Lest the gathering be disrupted, the campesinos did not raise their specific grievances. They were particularly disturbed by the clash over land rights in the village of La Cayetana in late November in which many campesinos were killed by authorities.

In light of this growing unrest, it is unclear whether Molina can retain enough military support to ensure his continued rule. He apparently still enjoys the loyalty of influential Defense Minister Romero, who is highly respected by the military. Also, many senior officers in command posts are indebted to Molina for their successful careers. An unusually large and close knit group of captains has also been a key element of support. Known as the "Group of 44," the officers are members of the military school graduating class of 1966. Molina's intervention against other school officials allowed the entire group to graduate and receive commissions despite the failing grades of some.

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